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Mortgage Rates Lower After Inflation Data

Mortgage rates fell today, largely in response to the past two days of bond market improvement. In other words, lenders had been keeping their guard up ahead of today's key inflation data (The Consumer Price Index, or "CPI"). While it's true that a strong CPI report had the **potential** to push rates back to the highest levels since this summer, today's data wasn't strong enough. In fact, most of the metrics were roughly in line with forecasts.

Still, the strength and resilience in bond markets **shouldn't be discounted**. Bonds also digested strong Retail Sales data and managed to maintain stronger levels achieved overnight. In general, "strength" in bond markets translates to lower mortgage rates, although there can be some lag between the two.

Most lenders continue quoting conventional 30yr fixed rates in the 4.0% range, but today's improvement brings some of the aggressive lenders back down to **3.875%** on top tier scenarios. Most borrowers will simply see today's improvement in the form of lower closing costs (or a bigger lender credit) on the same rates quoted yesterday.

With the inflation data out of the way, there is **less immediate risk** in the coming days. That said, rates have yet to commit to a strong move below their best recent levels. That means locking and floating should still be approached cautiously, but perhaps with slightly more room for optimism compared to the beginning of the week. Whatever the case may be, the potential for a bigger move in the near future remains, but the odds have evened out a bit as to the direction of that move.

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National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.28%	-0.09	0.00
15 Yr. Fixed	6.75%	-0.07	0.00
30 Yr. FHA	6.70%	-0.12	0.00
30 Yr. Jumbo	7.48%	-0.07	0.00
5/1 ARM	7.35%	-0.07	0.00

Freddie Mac

30 Yr. Fixed	7.22%	-0.22	0.00
15 Yr. Fixed	6.47%	-0.29	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	7.24%	+0.11	0.66
15 Yr. Fixed	6.75%	+0.11	0.64
30 Yr. FHA	7.01%	+0.11	0.94
30 Yr. Jumbo	7.45%	+0.05	0.56
5/1 ARM	6.64%	+0.12	0.87

Rates as of: 5/3

MBS and Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.09	+0.32
MBS GNMA 6.0	101.10	+0.37
10 YR Treasury	4.5148	-0.0647
30 YR Treasury	4.6799	-0.0491

Pricing as of: 5/3 12:55PM EST

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With 27+ years of expertise in mortgage banking you can be confident in my knowledge and abilities to deliver a seamless loan transaction while providing personalized service.

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